

34th Annual Report

2000-2001



THE DAWN OF THE NEW MILLENNIUM



ROLCON ENGINEERING COMPANY LIMITED

ROLCON ENGINEERING COMPANY LIMITED

BOARD OF DIRECTORS

Smt. Sushilaben S. Patel	Chairman
Shri Suresh H. Amin	Managing Director
Shri Ashish S. Amin	Jt. Managing Director
Shri Knut Bovenkamp	
Shri Nalin Karsondas Vissanji	
Shri Indubhai C. Patel	
Shri Suryakant M. Patel	
Shri Bhulabhai D. Patel	
Shri Ashok K. Parikh	
Shri Kailashchandra K. Seksaria	

SECRETARY

Shri Suresh R. Patel

AUDITORS

Messrs Thakorebhai-Shirish Desai & Butala
Division of Thacker Butala Desai
Navsari - 396 445

BANKERS

State Bank of India
Specialised Commerical Branch
Anand - 388 001

REGISTERED OFFICE

Anand - Sojitra Road
Vallabh Vidyanagar - 388 120

ROLCON ENGINEERING COMPANY LIMITED

NOTICE

NOTICE is hereby given that the 34th Annual General meeting of the Shareholders of ROLCON ENGINEERING COMPANY LIMITED will be held on Thursday the 21st day of June 2001 at 3:00 p.m. at the Registered Office of the Company at Vallabh Vidyanagar to transact the following business :

Ordinary Business

- 1) To consider and adopt the Audited Balance Sheet as at 31st March, 2001, the Profit & Loss Account for the year ended on that date, together with the reports of the Directors and Auditors.
- 2) To declare dividend.
- 3) To appoint a Director in place of Shri Indubhai C. Patel, who retires by rotation and being eligible, offers for re-appointment.
- 4) To appoint a Director in place of Shri Bhulabhai D. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To appoint a Director in place of Shri Kailashchandra K. Seksaria, who retires by rotation and being eligible, offers himself for re-appointment.
- 6) To appoint Auditors and to fix their remuneration.

As Special Business :

- 7) To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :

RESOLVED THAT the Company hereby accords its approval and consent u/s. 198, 269, 309 and 311 of the Companies Act, 1956 and all other applicable statutory provisions if any to the reappointment of Shri Suresh H. Amin as Managing Director of the Company for a period of 5 years from 1st August, 2002 and to his receiving remuneration, benefits, amenities as Managing Director of the Company, upon the terms and conditions and stipulations contained in an agreement to be entered into between the Company and Shri Suresh H. Amin. A draft whereof is placed before the meeting and for the purpose of identification initialed by the Chairman which agreement is hereby specifically approved with liberty to the Directors to amend alter and very the terms and conditions of the said reappointment and/or agreement in such manner as may be agreed to between the Directors and

Shri Suresh H. Amin, provided that at no time remuneration payable to Shri Suresh H. Amin shall exceed that maximum limit prescribed in Section I of part II of Schedule XIII of the Companies Act, 1956 as existing or as may be amended and in the event of the Company not earning profit or inadequacy of profit in any financial year. Shri Suresh H. Amin would be entitled to receive the remuneration as prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 as existing or as may be amended.

- 8) To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution :

RESOLVED THAT the Company hereby accords its approval and consent u/s 198, 269, 309 and 311 of the Companies Act, 1956 and all other applicable statutory provisions if any to the reappointment of Shri Ashish S. Amin as Joint Managing Director of the Company for a period of 5 years from 1st August, 2002 and to his receiving remuneration, benefits, amenities as Joint Managing Director of the Company, upon the terms and conditions and stipulations contained in an agreement to be entered into by and between the Company and Shri Ashish S. Amin. A draft whereof is placed before the meeting and for the purpose of identification initialed by the Chairman which agreement is hereby specifically approved with liberty to the Directors to amend alter and very the terms and conditions of the said reappointment and/or agreement in such manner as may be agreed to between the Directors and Shri Ashish S. Amin, provided that at no time remuneration payable to Shri Ashish S. Amin shall exceed the maximum limit prescribed in Section I of part II of Schedule XIII of the Companies Act, 1956 as existing or as may be amended and in the event of the Company not earning profit or inadequacy of profit in any financial year, Shri Ashish S. Amin would be entitled to receive the remuneration as prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 as existing or as may be amended.

Place : Vallabh Vidyanagar
Date : 5th May, 2001

By order of the Board

Suresh R. Patel
Secretary

ROLCON ENGINEERING COMPANY LIMITED

NOTES :

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (2) An Explanatory statement as required under Section 173(2) of the Companies Act, 1956 relating to the Special Business is annexed hereto.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 19th June 2001 to Thursday 21st June 2001 (both days inclusive).
- (4) The dividend when declared will be made payable on or before 15th July 2001 to those Shareholders, whose names appear on the Register of Members of the Company on 21st June 2001 or to their mandates if any.
- (5) Shares of the Company are listed at Mumbai & Ahmedabad Stock Exchange and requisite listing fees for the year 2001-2002 have been paid.

EXPLANATORY STATEMENT

Item No. 7

Shri Suresh H. Amin is Managing Director of the Company. His reappointments have been favourably approved by the members.

Present term of Shri Suresh H. Amin as Managing Director expires on 1st August, 2002. The Board at its meeting held on 5th May, 2001 considered that the untiring efforts and enthusiasm put in by Shri Suresh H. Amin has resulted in the steady growth of the Company. It is also felt that his business acumen and experience will be more beneficial and will be in the interest of the Company and accordingly proposed the above resolution for your consideration for the reappointment and payment of remuneration to Shri Suresh H. Amin as Managing Director. The Main terms and conditions of the reappointment are as under :

- 1) Period of Appointment : 5 years from 2nd August, 2002
- 2) Remuneration :
 1. Salary :

Rs. 37,500/- per month with such further increment/s as may be determined by the

Board of Directors from time to time in the Scale of Rs. 37,500/- to Rs. 75,000/-.

2. Commission :

Commission payable, in addition to the salary and perquisites 1.5% at the end of each financial year calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 and 309 of the Companies Act, 1956. However such commission shall not exceed the annual salary.

3. Perquisites :

(a) In addition to salary and commission the Managing Director shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing and repairs, reimbursement of actual expenditure on medical treatment for self and family, reimbursement of expenditure incurred on travel and stay abroad including that of an accompanying person / spouse, club fees, leave travel concession for self and family, medical insurance and such other perquisites and allowances as may be determined by the Board of Directors Subject to the overall ceiling of remuneration stipulated in Section 198 and 309 of the Companies Act, 1956.

(b) For the purpose of calculation the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of the Company's car for official duties, telephone and other communication facilities at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

ROLCON ENGINEERING COMPANY LIMITED

(c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

(d) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(e) Encashment of leave at the end of the tenure.

Perquisites stated in (c), (d) & (e) shall not be included in the computation of the ceiling on remuneration specified in paragraph I of Section II of Part II of Schedule XIII of the Companies Act, 1956.

4. Minimum Remuneration :

Where in any financial year during the currency of the tenure of the Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and any other allowance not exceeding ceiling limit setout in Section II Part II of Schedule XIII to the Companies Act, 1956 as existing or any amendment made hereafter.

3) The terms and conditions of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to managing and whole-time directors in accordance with Schedule XIII to the act or any amendments made hereafter.

4) The agreement may be terminated by either party giving the other party six months notice or the Company paying six months salary in lieu thereof.

5) The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling agency of the Company. He shall not also become

interest or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.

6) The Managing Director shall be subject to the superintendence control and direction of the Board of Directors. He will be entrusted with substantial powers of management and will also perform such other duties as may from time to time be entrusted to him.

In compliance with the provisions of section 309 of the Act the terms of remuneration specified above, are now being placed before the members in general meeting for their approval.

The draft Agreement between the Company and Shri Suresh H. Amin is available for inspection by the members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon any working day of the Company, till the date of Annual General Meeting.

Shri Suresh H. Amin is concerned or interested in the resolution, Smt. Sushilaben S. Patel and Shri A. S. Amin Directors may be deemed to be concerned or interested in the resolution, since they are his relatives.

None of the other Directors is in any way concerned or interested in the above resolution.

This may be treated as an abstract of the terms of the appointment between the Company and Shri Suresh H. Amin pursuant to Section 302 of the Act.

Item No. 8

Shri Ashish S. Amin is Joint Managing Director of the Company. His reappointment have been favourably approved by the members.

Present term of Shri Ashish S. Amin as Joint Managing Director expires on 1st August, 2002. The Board at its meeting held on 5th May, 2001 considered that untiring efforts and highly talented technocrat has brought the company in steady growth. It is also felt that his business experience will be more beneficial and will be in the interest of the Company, and accordingly proposed the above resolution for your consideration for the reappointment and payment of remuneration of Shri Ashish S. Amin as Joint Managing

ROLCON ENGINEERING COMPANY LIMITED

Director. The Main terms and conditions of the reappointment are as under :

1) Period of Appointment : 5 yeras from 2nd August, 2002

2) Remuneration :

1. Salary :

Rs. 25,000/- per month with such further increment/s as may be determined by the Board of Directors from time to time in the Scale of Rs. 25,000/- to Rs. 75,000/-.

2. Commission :

Commission payable, in addition to the salary and perquisites @ 1.25% at the end of each financial year calculated with reference to the net profits of the Company in a particular financial year, subject to the overall ceiling stipulated in Section 198 and 309 of the Companies Act, 1956. However such commission shall not exceed the annual salary.

3. Perquisites :

(a) In addition to salary and commission the Joint Managing Director shall be entiled to perquisites and allownaces like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowance utilities such as gas, electricity, water, furnishings and repairs, reimbursement of actual expenditure on medical tretment for self and family, reimbursement of expenditure incurred on travel and abroad including that of an accompanying person/ spouse, club fees, leave travel concession for self and family, medical insurance and such other perquisites and allowances as may be determined by the Board of Directors Subject to the overall ceiling of remuneration stipulated in Section 198 and 309 of the Compaines Act, 1956.

(b) For the purpose of calculation the above ceiling, perquisites shall be evaluated as per Income-Tax Rules, wherever applicable.

In the absence of any such Rules, perquistes shall be evaluated at actual cost.

Provision for use of the Company's car for official duties, telephone and other communication facilities at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(c) Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

(d) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(e) Encashment of leave at the end of the tenure.

Perquisites stated in (c), (d) & (e) shall not be included in the computation of the ceiling on remuneration specified in paragraph I of Section II of Part II of Schedule XIII of the Companies Act, 1956.

4. Minimum Remuneration :

Where in any financial year during the currency of the tenure of the Joint Managing Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and any other allowance not exceeding ceiling limit setout in Section II Part II of Schedule XIII to the Companies Act, 1956 as existing or any amendment made hereafter.

3) The terms and conditions of the said appointment and/or Agreement may be alters and varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to managing and whole-time directors in accordance with Schedule XIII to the act or any amendments made hereafter.

4) The agreement may be terminated by either

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party giving the other party six months notice or the Company paying six months salary in lieu thereof.

- 5) The Joint Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling agency of the Company. He shall not also become interest or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- 6) The Joint Managing Director shall be subject to the superintendence control and direction of the Board of Directors. He will be entrusted with substantial powers of management and will also perform such other duties as may from time to time be entrusted to him.

In compliance with the provisions of section 309 of the Act the terms of remuneration specified above, are now being palced before the members in general meeting for their approval.

The draft Agreement between the Company and Shri Ashish S. Amin is available for inspection by the members at the Registered Office of the Company between 10.00 a.m. and 12.00 noon any working day of the Company, till the date of Annual General Meeting.

Shri Ashish S. Amin is concerned or interested in the resolution, Shri S.H. Amin and Smt. Sushilaben S. Patel Directors may be deemed to be concerned or interested in the resolution, since They are his relatives.

None of the other Directors is in any way concerned or interested in the above resolution.

This may be treated as an abstract of the terms of the appointment between the Company and shri Ashish S. Amin pursuant to Section 302 of the Act.

Place : Vallabh Vidyanagar By order of the Board
Date : 5th May, 2001

Suresh R. Patel
Secretary

DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure to submit their 34th Annual report together with the Audited statement of Accounts for the year ended March 31st, 2001.

WORKING RESULTS :

	Rupees (Rs. in lacs)	Previous Year Rupees (Rs. in lacs)
Gross Profit	104.24	109.32
Less: Depreciation	43.89	50.12
Profit before Tax	60.35	59.20
Less : Provision for Taxation	28.00	25.60
Profit after Tax	32.35	33.60
Add:		
a) The amount brought forward from the last Year's account	13.09	1.46
b) Excess/Short Provision of the earlier years	(-) 0.19	1.98
Total available	45.25	37.04
APPROPRIATIONS:		
a) Proposed Dividend	18.90	16.63
b) Provision for Corporate Tax on Dividend	1.93	3.32
c) General Reserve	4.53	4.00
d) Balance carried forward	19.89	13.09
	45.25	37.04

DIVIDEND:

Your Directors recommend Dividend at the rate of 25% i.e. Rs. 2.50 per Share, on 7,56,000 Equity Shares of Rs. 10/- each absorbing total Rs. 18.90 lacs.

PRODUCTION:

Chains and Sprockets :

The Companies sales and other income for the year amounted Rs. 1427.50 lacs as against Rs. 1380.91 lacs of the previous year.

Wind Mill :

During the year the mill has generated 2,07,934 units. Against this units generated at Lamba, credit for equal units in consumption will be given every month, by Gujarat Electricity Board.